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SECURITY INFORMATION

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## REPORT NO.

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1. The USSR and its satellites have been increasing and systematically offering ultramarine at cheaper prices than those asked by Western ultramarine-producing plants. Firms making such offers have included CIECH, Jasna 10, Warsaw, and Chemapol, Panska 9, Prague II.
2. Although the Eastern ultramarine is of inferior quality, being a dark ultramarine of slight coloring effect, this dumping considerably disturbs the normal Western trade. Customers are prepared to pay not more than 2 to 3 percent more for Western than for Eastern ultramarine. However, the satellite countries have been keeping their prices 5 to 10 percent below Western prices, thereby compelling Western plants to lower their prices considerably during the first half of 1952. These offers have been made mostly in the Near East and India, and also occasionally in Switzerland and in the Netherlands. Finland has been flooded with ultramarine from Poland at dumping prices. In 1951, the Western prices for dark ultramarine of slight coloring effect was \$40 per 100 kg, while Eastern prices ranged from \$37 to \$38. After the Western prices were lowered, the prices of the satellite countries dropped to about \$30 within a few months. At present, the satellite countries are offering ultramarine at \$20 for 100 kg. Most of the Western countries, except Germany and the United Kingdom, are no longer able to meet this competition. It appears that these offers are made, not only to procure hard currency, but also to disturb Western trade, because many offers have been made, but only part of the orders have been filled.

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